adjudication an order was entered barring the United States from participating in the estate. The Bankruptcy Act provides that "claims shall not be proved subsequent to one year after the adjudication." BANKRUPTCY ACT OF 1898, § 57 (n.); 30 STAT. AT L. 544, 561. *Held*, that the order be affirmed. *United States* v. *Lytle*, 66 N. Y. L. J. 1539 (C. C. A., 2d Circ.).

In spite of the mandatory provision of the statute, it has been held that claims due the government need not be proved within a year. *In re Stoever*, 127 Fed. 394 (E. D. Pa.). See also *In re Prince & Walter*, 131 Fed. 546 (M. D. Pa.); *In re William F. Fisher & Co.*, 148 Fed. 907 (D. N. J.); *In re Cleanfast Hosiery Co.*, 4 A. B. R. 702 (S. D. N. Y.). One reason given is that statutes of limitations ordinarily do not bind the state. See *Magdalen College Case*, 11 Rep. 66 b, 74 b; WOOD, LIMITATIONS, 4 ed., § 52. See also *United States* v. *Herron*, 20 Wall. (U. S.) 251, 255. But because of the evident policy of having estates wound up speedily, the principal case properly disregards that argument. See *In re Muskoka Lumber Co.*, 127 Fed. 886 (W. D. N. Y.); *In re Sanderson*, 160 Fed. 278 (D. Vt.). Secondly, it is urged that the statute of March 3, 1797, giving the United States priority in all insolvent estates, makes its claim independent of the Bankruptcy Act. See 1 STAT. AT L. 512, 515. This argument prevailed under the Bankruptcy Act of 1867. *Lewis, Trustee*, v. *United States*, 92 U. S. 618. But the Act of 1898 supersedes that statute where the two conflict. *Guarantee Title & Trust Co.* v. *Title Guaranty & Surety Co.*, 224 U. S. 152. The principal case therefore seems right, since the present statute provides that all claims must be filed within a year. A question remains as to the liability of the trustee due to the statute of March 2, 1799. See 1 STAT. AT L. 627, 676. Under previous bankruptcy acts, the United States could refrain from filing a claim, allow the assets to be distributed, and then hold the trustee personally. *United States* v. *Barnes*, 31 Fed. 705 (Circ. Ct., S. D. N. Y.). *Cf. United States* v. *Murphy*, 15 Fed. 589, 593 (Circ. Ct., D. Ind.). But the trustee can hardly be held for distributing an estate in which the United States has lost its right to participate.

BILLS AND NOTES — ANOMALOUS INDORSER — INDORSEMENT BY CASHIER OF BANK AFTER DELIVERY TO PREVENT STOCK ASSESSMENT. — The plaintiff bank was holder of a note which the bank examiner ordered stricken from its list of assets. This would have impaired the bank's capital and resulted in an assessment of stock and possibly receivership. It was agreed that the note should be retained as an asset upon indorsement by the defendant, the bank's cashier. The plaintiff bank, which remained solvent, now sues upon the indorsement. *Held*, that the plaintiff cannot recover. *Cripple Creek State Bank* v. *Rollestone*, 202 Pac. 115 (Colo.).

The defendant was clearly an indorser under the Negotiable Instruments Law. See N. I. L., § 63; 1912, 2 MILLS ANN. STAT., § 5113. *Lightner* v. *Roach*, 126 Md. 474, 95 Atl. 62; *Walker* v. *Dunham*, 135 Mo. App. 396, 115 S. W. 1086. Since the indorsement was made after delivery, he is not liable without new consideration. *American Multigraph Sales Co.* v. *Grant*, 135 Minn. 208, 160 N. W. 676; *Zadek* v. *Forcheimer*, 16 Ala. App. 347, 77 So. 941. See 1 WILLISTON, CONTRACTS, § 108. But consideration can be found in the requested non-action of the examiner. At least in the case of negotiable instruments, consideration need not move from the obligee or to the obligor. *Gay* v. *Mott*, 43 Ga. 252. See WILLISTON, *ubi supra*. The decision therefore is doubtful. In the first place, it may be questioned whether the defendant's promise could in fact be regarded as conditional upon the bank's insolvency. The purpose of the transaction was to protect creditors by having this note become a collectible obligation. This purpose would be defeated if the defendant's liability depended upon judicial speculation about the bank's financial condition when the note became due. Secondly, the

parol evidence rule might prevent showing such a condition. It is true that there may be a contingent delivery of an instrument. *Burke* v. *Dulaney*, 153 U. S. 228. See 4 WIGMORE, EVIDENCE, § 2409. But it would be a great extension of this rule to say that a promise unconnected with delivery could be only conditionally operative. And it is clear that if the promise is operative, an oral condition of performance is invalid. *Burns & Smith Lumber Co.* v. *Doyle*, 71 Conn. 742, 43 Atl. 483; *Northern Trust Co.* v. *Hiltgen*, 62 Minn. 361, 64 N. W. 909.

CONSTITUTIONAL LAW — POWERS OF LEGISLATURE: TAXATION — TAXATION OF INCOME OF EMPLOYERS OF CHILD LABOR. — An act of Congress imposed an annual tax upon income derived from industrial units in which during the year children had been employed otherwise than according to a schedule of ages and hours incorporated in the act. The plaintiff in the first of the cases below sought to enjoin the collection of the tax. The plaintiff in the second case sued to recover a tax paid under protest. *Held*, for the plaintiffs in both actions. *George* v. *Bailey*, 274 Fed. 639 (W. D. N. C.); *Drexel Furniture Co.* v. *Bailey*, 276 Fed. 452 (W. D. N. C.).

For a discussion of the principles involved, see NOTES, *supra*, p. 859.

CONSTITUTIONAL LAW — POWERS OF STATE LEGISLATURE — EXPULSION OF FOREIGN CORPORATION WHICH RESORTS TO FEDERAL COURTS. — A statute of Arkansas requires the Secretary of State to revoke the license of any foreign corporation which brings suit against a citizen of the state in a federal court, or removes a suit brought by such a citizen to a federal court, and imposes a penalty for doing business after such revocation (1907 ACTS OF ARK. 744, § 1; 1921 STAT. OF ARK., §§ 1831, 1832). The plaintiff, a foreign corporation licensed in Arkansas and doing exclusively domestic business there, seeks to enjoin the revocation of its license under the above statute. *Held*, that the statute is unconstitutional and that the injunction be granted. *Terral, Sec'y*, v. *Burke Construction Co.*, U. S. Sup. Ct., Oct Term, 1921, No. 93.

State statutes forbidding resort by foreign corporations to the federal courts have uniformly been held unconstitutional. *Insurance Co.* v. *Morse*, 20 Wall. (U. S.) 445; *Harrison* v. *St. Louis, etc. R. R. Co.*, 232 U. S. 318. And in the case of foreign corporations engaged in interstate commerce, states have been restrained from revoking a license because the corporation did so resort. *Herndon* v. *Chicago, etc. Ry. Co.*, 218 U. S. 135; *Wisconsin* v. *Phila. & Reading Coal Co.*, 241 U. S. 329. But the states were not thus restrained when the business conducted was exclusively domestic. *Doyle* v. *Continental Ins. Co.*, 94 U. S. 535; *Security Mutual Life Ins. Co.* v. *Prewitt*, 202 U. S. 246. Abandoning this distinction, the court now explicitly overrules the latter cases. These, however, were not clearly wrong. A state may absolutely debar a foreign corporation not engaged in interstate commerce. *Hooper* v. *California*, 155 U. S. 648. *Cf. Internat. Textbook Co.* v. *Pigg*, 217 U. S. 91. See 19 HARV. L. REV. 291. And may subject it, when admitted, to special tax burdens and regulation. *So. Bldg. & Loan Ass'n* v. *Norman*, 98 Ky. 294, 32 S. W. 952. See 3 COOK, CORPORATIONS, 7 ed., §§ 696–700. A license, if granted, is doubtless a property right protected by the Fourteenth Amendment, yet its revocation because of the exercise of a right under the Federal Constitution is not necessarily a denial of due process. It is not plainly unreasonable for a state to require that a foreign corporation do business, if at all, on terms of absolute equality with those organized under, and fully amenable to domestic law. On the other hand, the policy against indirect state impairment of any constitutional right may, as the court now agrees, forbid a leveling process of the sort attempted by the Arkansas statute. See *Harrison* v. *St. Louis, etc. R.R. Co.*, *supra*, at 328. *Cf. Ex parte Young*, 209 U. S. 123.